

EXHIBIT A-3

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Administrative Offices
580 Walnut Street
Cincinnati, Ohio 45202
Tel: 1-513-369-5000

CM 88 02 (Ed. 11 85)

BUSINESSPRO GENERAL ENDORSEMENT

INSTALLATION SITE LIMIT, TEMPORARY LOCATION LIMIT, AND ANY ONE
LOSS LIMIT ARE INCREASED TO \$1,000,000 FOR THE FOLLOWING JOB:

BARUCH COLLEGE SITE B, 5 S. LEXINGTON AVE., NEW YORK, NY.



Administrative Offices
580 Walnut Street
Cincinnati, Ohio 45202
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BUSINESSPRO GENERAL ENDORSEMENT

CLAUSE E.1. - COINSURANCE - ON INSTALLATION FLOATER COVERAGE
FORM CM7807 IS DELETED IN ITS ENTIRETY.



Administrative Offices
580 Walnut Street
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BUSINESSPRO GENERAL ENDORSEMENT**SCHEDULE OF EQUIPMENT**

1.	WILLIAMS MOBILE 44 X 10 OFFICE TRAILER S/N P2517	\$6,950
2.	CASE 580 BACKHOE LOADER S/N 907644	\$15,000
3.	COASTAL OFFICE TRAILER MODEL WMS 264 S/N 41505	\$15,000
4.	CLARK C-500 FORKLIFT S/N C500070-179-2294	\$7,600
5.	MARKLINE 8 X 20 OFFICE TRAILER MODEL 820, S/N 412737	\$1,711
6.	GELCO SPACE OFFICE TRAILER S/N 31290	\$4,000
7.	CHAMPION MATERIAL HOIST MMT50-6 W/12' CAR & TOWER, S/N 883500	\$12,000
8.	COASTAL OFFICE TRAILER 8 X 24 S/N 7127	\$4,500
9.	WILLIAMS MOBILE TRAILER S/N CSS 07010	\$4,200
10.	CASE 586E FORKLIFT S/N 17020383	\$10,000
11.	743 MELROE BOBCAT LOADER S/N 35360 W/60" CONSTRUCTION INDUSTRIAL BUCKET W/909 MELROE BACKHOE S/N 1340 W/GRENCHING BUCKET 1988	\$20,243
12.	BOBCAT 763C LOADER	\$25,000
13.	60 X 12 MOBILE OFFICE S/N 08811-465	\$18,000
14.	44 X 10 MOBILE OFFICE S/N WP-00166	\$11,790
15.	32 X 8 STOR-A-VAN S/N WP-00150	\$6,500
16.	LULL 844C-42 FORKLIFT S/N SEP96W16P22516	\$55,000
17.	MISCELLANEOUS TOOLS & EQUIPMENT, EXCLUDING ANY ITEM WITH A VALUE OF MORE THAN \$2,500	\$125,000

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. pay its chosen appraiser; and
2. bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.

4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any Insured under oath, while not in the presence of any other Insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an Insured's books and records. In the event of an examination, an Insured's answers must be signed.

8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
 - a. we have reached agreement with you on the amount of the loss; or
 - b. an appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets Or Parts

1. Pair or Set

In case of loss or damage to any part of a pair or set we may:

- a. repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the ex-

tent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. someone insured by this insurance; or
 - b. a business firm:
 - (1) owned or controlled by you; or
 - (2) that owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other Insured, at any time, concerning:

1. this Coverage Part;
2. the Covered Property;
3. your interest in the Covered Property; or
4. a claim under this Coverage Part.

B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. there has been full compliance with all the terms of this Coverage Part; and
2. the action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. No Benefit To Bailee

No person or organization, other than you, having custody of Coverage Property will benefit from this insurance.

E. Policy Period

We cover loss or damage commencing:

1. during the policy period shown in the Declarations; and
2. within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. the actual cash value of that property;
2. the cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. the cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.



Administrative Offices
580 Walnut Street
Cincinnati, Ohio 45202
Tel: 1-513-369-5000

CANCELLATION MEMO

Date: 09/12/2001

Policy No. MAC 132-13-86 - 01

From: GREAT AMERICAN INSURANCE CO.
580 WALNUT STREET
CINCINNATI, OH 45202

Insured:
TRATAROS CONSTRUCTION, INC.

To: ALLIED COVERAGE CORPORATION
390 NORTH BROADWAY
JERICHO, NY 11753

Please refer to item(s) marked (X) below:

1. (X) As you requested, the following information is furnished
Policy cancelled (X) Pro Rata () Short Rate as of 09 / 24 / 01

(X) The return premium is \$ 15,491.32 **
** If the policy is on an installment plan, the return premium due insured is annual less any unpaid or future installments.

2. () Above policy has been received for cancellation () Pro Rata
() Short Rate as of / / quoting return premium of \$

Our calculation develops return premium of \$. Please
recheck your figures and advise.

3. () Please advise: () Method of cancellation () Effective date of
cancellation () Reason for cancellation

4. () Audit Policy - our calculation develops a return premium of
\$ for coverages except Section II and automobile. Premium
adjustment for Section II and automobile will be sent upon completion
of audit.

5. () Please refrain from taking credit for return premium of \$
computed by you. An audit is required before this premium can be
adjusted.

6. () We have received word that the above policy has been cancelled on
your record, but the evidence of cancellation has not been received
by this office. Will you kindly check your records and if in agree-
ment submit the cancellation evidence to the writer's attention.

Reply:



Administrative Offices
580 Walnut Street
Cincinnati, Ohio 45202
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BM 72 03 (Ed. 09 92)

Policy No. MAC 1-32-13-86 - 01

**SYSTEMS BREAKDOWN COVERAGE PART
DECLARATIONS PAGE****NAMED INSURED:** TRATAROS CONSTRUCTION, INC.
(SEE IL8802)**POLICY PERIOD:**
04/01/01 to 04/01/02**COVERAGE OPTIONS AND DESCRIPTIONS****BASIC COVERAGE**Coverage includes Boilers,
Vessels and Piping.**COMPREHENSIVE COVERAGE**Coverage includes Boilers, Vessels, Piping,
Air Conditioning and Refrigeration Equipment,
Machinery and Electrical Equipment.**SCHEDULE OF LOCATIONS**

Loc. No.	Location of Premises	COVERAGE		Location Deductible
		Basic	Comprehensive	
1	640-660 64TH ST. BROOKLYN, NY		X	\$1,000
2	6402-6410 7TH AVE. BROOKLYN, NY		X	\$1,000

LIMITS OF INSURANCE

Property Damage - Not Limited

Business Income/Extra Expense - 12 Consecutive Months

DESCRIPTION OF BUSINESS:Form of Business () Individual () Joint Venture () Partnership
(X) Organization (Other than Partnership or Joint Venture)
Business Description**PREMIUM:**

The total estimated premium is \$ 1,801 and is payable:

(X) In advance	Amount	Date Due
() In payments of	\$	at inception
	\$	
	\$	
	\$	

FORMS AND ENDORSEMENTS applicable to this Coverage Part and made a part of this Policy at the time of issue are listed on the attached Forms and Endorsements Schedule BM 88 01 (01/86).

Administrative Offices
580 Walnut Street
Cincinnati, Ohio 45202
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BM 88 01 (Ed. 01 86)

GREAT AMERICAN.
INSURANCE GROUP

BUSINESSPRO FORMS AND ENDORSEMENTS SCHEDULE

It is hereby understood and agreed the following forms and endorsements are attached to and are a part of this policy:

BM7203	09/92 NY	B & M SYSTEMS BREAKDOWN DEC PAGE
BM7204	09/92 NY	SYSTEM BREAKDOWN COVERAGE FORM



Administrative Offices
580 Walnut Street
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BM 72 04
(Ed. 09 92)

SYSTEMS BREAKDOWN COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F – DEFINITIONS.

A. COVERAGE

We will pay for direct damage to Covered Property, Business Interruption/Extra Expense and Spoilage caused by an "accident" at the location(s) specified in the Declarations.

1. Covered Property

Covered Property, as used in this policy, means any property that

- a. you own; or
- b. is in your care, custody or control and for which you are legally liable. In addition to paying for loss to this property, we will defend you against any claim or "suit" alleging liability for damage to this property, subject to the Defense and Supplementary Payments provisions.

2. Expediting Expenses

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- a. make temporary repairs;
- b. expedite permanent repairs; and
- c. expedite permanent replacement.

3. Business Interruption/Extra Expense

We will pay:

- a. your actual loss from a total or partial interruption of business; and

- b. the reasonable extra expense to run your business during the interruption;

caused solely by an "accident," including an "accident" to any equipment that is:

- (1) located on or within 500 feet of your "location";
- (2) owned by the building owner (if you are a tenant) or a public utility company; and
- (3) used to supply electrical power, heating, air conditioning, gas, water, steam or telephone services to your "location."

4. Spoilage

We will pay for loss of perishable goods due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused solely by an "accident," including an "accident" to any equipment that is:

- a. located on or within 500 feet of your "location";
- b. owned by the building owner (if you are a tenant) or a public utility company; and
- c. used to supply electrical power, heating, air conditioning, gas, water or steam services to your "location."

5. Automatic Coverage for a Newly Acquired Location

We will automatically cover an "accident" at a newly acquired location. This automatic coverage begins at the time you acquire the property and continues for 90 days, under the following conditions:

- a. you must inform us in writing of the newly acquired location within 90 days of the date you acquire it;
- b. the equipment must be on site at the time of the acquisition and throughout the period of automatic coverage and be of a type that would be included in the "comprehensive" definition of "accident;"
- c. the highest deductible amount shown in the Declarations shall apply to newly acquired locations; and
- d. you agree to pay an additional premium as determined by us.

6. Defense

If a claim or "suit" is brought against you alleging that you are liable for damage to property of another in your care, custody or control, that was directly caused by an "accident," we will either:

- a. settle the claim or "suit," or
- b. defend you against the claim or "suit," but keep for ourselves the right to settle it at any point.

7. Supplementary Payments

We will pay, with respect to any claim or "suit" we defend:

- a. all expenses we incur;
- b. the cost of bonds to release attachments. We do not have to furnish these bonds;
- c. all reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim

or "suit," including actual loss of earnings up to \$100 a day because of time off from work;

- d. all costs taxed against you in any "suit" we defend;
- e. prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the total loss resulting from the "accident" we will not pay any prejudgment interest based on that period of time after the offer; and
- f. all interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the total amount of loss resulting from the "accident."

B. EXCLUSIONS

We will not pay for:

1. Ordinance or Law

Any increase in loss caused by or resulting from enforcement of any ordinance, law, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation. As used here, increase in loss also includes expenses incurred beyond those for which we would have paid if no substance declared to be hazardous to health by a governmental agency had been involved in the "accident."

For the purpose of this coverage, ammonia shall not be considered a substance declared as hazardous to health by a governmental agency under this exclusion.

2. Nuclear Hazard

Loss caused by or resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

3. War and Military Action

Loss caused by or resulting from:

- a. war, including undeclared or civil war;

5. Automatic Coverage for a Newly Acquired Location

We will automatically cover an "accident" at a newly acquired location. This automatic coverage begins at the time you acquire the property and continues for 90 days, under the following conditions:

- a. you must inform us in writing of the newly acquired location within 90 days of the date you acquire it;
- b. the equipment must be on site at the time of the acquisition and throughout the period of automatic coverage and be of a type that would be included in the "comprehensive" definition of "accident;"
- c. the highest deductible amount shown in the Declarations shall apply to newly acquired locations; and
- d. you agree to pay an additional premium as determined by us.

6. Defense

If a claim or "suit" is brought against you alleging that you are liable for damage to property of another in your care, custody or control, that was directly caused by an "accident," we will either:

- a. settle the claim or "suit," or
- b. defend you against the claim or "suit," but keep for ourselves the right to settle it at any point.

7. Supplementary Payments

We will pay, with respect to any claim or "suit" we defend:

- a. all expenses we incur;
- b. the cost of bonds to release attachments. We do not have to furnish these bonds;
- c. all reasonable expenses incurred by you at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$100 a day because of time off from work;
- d. all costs taxed against you in any "suit" we defend;
- e. prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the total loss resulting from the "accident" we will not pay any prejudgment interest based on that period of time after the offer; and
- f. all interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the total amount of loss resulting from the "accident."

B. EXCLUSIONS

We will not pay for:

1. Ordinance or Law

Any increase in loss caused by or resulting from enforcement of any ordinance, law, regulation, rule or ruling regulating or restricting repair, alteration, use, operation, construction or installation. As used here, increase in loss also includes expenses incurred beyond those for which we would have paid if no substance declared to be hazardous to health by a governmental agency had been involved in the "accident."

For the purpose of this coverage, ammonia shall not be considered a substance declared as hazardous to health by a governmental agency under this exclusion.

2. Nuclear Hazard

Loss caused by or resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

3. War and Military Action

Loss caused by or resulting from:

- a. war, including undeclared or civil war;

- b. warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

4. Other Exclusions

Loss caused by or resulting from:

- a. an explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the gas passages from furnace to the atmosphere;
- b. fire or combustion explosion that occurs at the same time as an "accident" or that ensues from an "accident." With respect to any electrical equipment forming a part of covered equipment this exclusion is changed to read:

fire or combustion explosion outside the equipment that occurs at the same time as an "accident" or ensues from an "accident";
- c. an "accident" that is the direct or indirect result of a combustion explosion or fire;
- d. water or other means used to extinguish a fire, even when the attempt is unsuccessful;
- e. flood. However, if an "accident" results from a flood, we will pay for loss, damage or expense caused by the "accident";
- f. an "accident" caused directly or indirectly by earth movement, including, but not limited to earthquake, landslide, mudslide, subsidence or volcanic eruption;
- g. damage to media used with any electronic computer or electronic data processing equipment; or

- h. any other indirect result of an "accident."

5. Additional Exclusions Applying to Business Interruption/Extra Expense Insurance

We will not pay for:

- a. the interruption of business that would not or could not have been carried on if the "accident" had not occurred;
- b. your failure to use due diligence and dispatch and all reasonable means to resume business at the "location(s)" shown in the Declarations; or
- c. that part of any loss or expense that is due solely to the suspension, lapse or cancellation of a contract following an "accident" extending beyond the time business could have resumed if the contract had not lapsed, been suspended or cancelled.

6. Additional Exclusion Applying to Spoilage

We will not pay for loss or damage as a result of your failure to use all reasonable means to protect the perishable goods from damage following an "accident."

We will not pay for any loss excluded above even though any other cause or event contributes concurrently or in any sequence to the loss.

C. LIMITS OF INSURANCE

1. Hazardous Substance Limitation

The following applies despite the operation of the Ordinance or Law Exclusion. This limitation does not apply to damage, contamination or pollution caused by ammonia.

If Covered Property is damaged, contaminated or polluted as a result of an "accident" by a substance declared to be hazardous to health by a governmental agency, the most we will pay for any additional expenses incurred by you for clean up, repair or replacement or disposal of that

property is \$25,000. As used here, additional expenses mean expenses incurred beyond those for which we would be liable if no substance hazardous to health had been involved.

2. Business Interruption and Extra Expense Limit

As regards Business Interruption and Extra Expense Coverage our Limit of Liability for any one "accident" is equal to twelve (12) consecutive months of actual loss for a total or partial interruption of your business.

D. DEDUCTIBLE - Combined All Coverages

We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the Deductible shown in the Declarations. We will then pay the amount of loss, damage or expense in excess of the Deductible. If more than one covered piece of equipment is involved in "one accident," only the highest Deductible will apply.

E. CONDITIONS

1. Loss Conditions

a. Duties In the Event of Loss or Damage

You must see that the following are done in the event of loss or damage:

- (1) give us prompt notice of the loss or damage. Include a description of the property involved;
- (2) as soon as possible, give us a description of how, when and where loss or damage occurred;
- (3) allow us a reasonable time and opportunity to examine the property and premises before repairs are undertaken or physical evidence of the "accident" is removed. You must take whatever measures are necessary for protection from further damage;

- (4) permit us to inspect the property and records;
- (5) if requested, permit us to question you under oath, at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed;
- (6) send us a signed, sworn statement of loss containing the information we request to settle the claim. You must do this within 60 days after our request; and
- (7) cooperate with us in the investigation and/or settlement of the claim.

b. Insurance Under Two or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

c. Legal Action Against Us

No one may bring a legal action against us under this policy unless:

- (1) there has been full compliance with all the terms of this policy; and
- (2) the action is brought within two years after the date of the "accident"; or
- (3) we agree in writing that you have an obligation to pay for damage to Covered Property of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this policy to bring us into an action to determine your liability.

d. Loss Payable Clause

(1) We will pay you and the loss payee shown in the Declarations for loss due to an "accident," as interests may appear. The insurance covers the interest of the loss payee unless the loss results from conversion, secretion or embezzlement on your part.

(2) We may cancel this policy as allowed by the Cancellation Condition. Cancellation ends this agreement as to the loss payee's interest.

If we cancel, we will mail you and the loss payee the same advance notice.

(3) If we make any payment to a loss payee, we will obtain their rights against any other party.

e. Other Insurance

(1) You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this policy. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the total loss resulting from any "accident" bears to the Limits of Insurance of all insurance covering on the same basis.

(2) If there is other insurance covering the same loss or damage, other than that described in (1) above, we will pay only the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not.

In no case, will we pay more than the total loss resulting from an "accident."

f. Transfer of Rights of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.

g. Valuation

(1) We will pay you the amount you spend to repair or replace Covered Property directly damaged by the "accident." Our payment will be the smallest of:

(a) the cost at the time of the "accident" to repair the damaged property with new property of like kind, capacity, size and quality;

(b) the cost at the time of the "accident" to replace the damaged property on the same site, with other new property;

(i) of like kind, capacity, size and quality; and

(ii) used for the same purpose; or

(c) the amount you actually spend that is necessary to repair or replace the damaged property.

(2) As respects any covered equipment if the cost of repairing or replacing only a part of the covered equipment is greater than:

(a) the cost of repairing the covered equipment; or

(b) the cost of replacing the entire covered equipment on the same site;

we will pay only the smallest amount.

The repair parts or replacement covered equipment must be:

- (c) of like kind, capacity, size and quality; and
 - (d) used for the same purpose.
- (3) We will not pay you:
- (a) if the loss or damage is to property that is obsolete or useless to you; or
 - (b) for any extra cost if you decide to repair or replace the damaged property with property of a better kind or quality or of larger capacity.

- (4) If you do not repair or replace the damaged property within 24 months after the date of the "accident," then we will pay only the smaller of the:

- (a) cost it would have taken to repair; or
- (b) actual cash value;

at the time of the "accident."

Paragraph (4) does not apply to any time period beyond the 24 months that we agree to in writing.

h. Spoilage Coverage Valuation

- (1) We will pay for perishable goods damaged or spoiled as a result of an "accident" on the basis of:
- (a) the selling price at the time of the "accident" as if no loss or damage had occurred; and
 - (b) less any discounts and expenses you otherwise would have had.

i. Media Valuation

We will pay for media, directly damaged by an "accident," at the cost of blank material for reproducing the records.

2. Other Conditions

a. Additional Insured

If a person or organization is designated in this policy as an additional Insured, we will consider them to be an Insured under this policy to the extent of their interest.

b. Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve us of any obligation under this policy.

c. Concealment, Misrepresentation or Fraud

This policy is void in any case of fraud by you relating to it. It is also void if you intentionally conceal or misrepresent a material fact concerning:

- (1) this policy;
- (2) the Covered Property; or
- (3) your interest in the Covered Property.

d. Liberalization

If we file any forms, endorsements, rules or regulations (for use with this insurance program) with the insurance supervisory authorities while this insurance is in force (or filed and accepted within 45 days prior to its effective date) which could broaden or extend the coverage without an additional premium charge, such broadened or extended insurance shall automatically inure to your benefit.

e. Mortgage Holders

- (1) The term mortgage holder includes trustee.

(2) We will pay for direct damage due to an "accident" to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.

(3) The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the covered property.

(4) If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgage holder will still have the right to receive loss payment if the mortgage holder:

(a) pays any premium due under this policy at our request if you have failed to do so;

(b) submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(c) has notified us of any change in ownership or substantial change in risk known to the mortgage holder.

All of the terms of this policy will then apply directly to the mortgage holder.

(5) If we pay the mortgage holder for any loss and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

(a) the mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

(b) the mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

(6) If we cancel this policy, we will give written notice to the mortgage holder at least:

(a) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

(b) 30 days before the effective date of cancellation if we cancel for any other reason.

(7) If we do not renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

f. Policy Period, Coverage Territory

Under this policy:

(1) The "accident" must occur:

(a) during the policy period shown in the Declarations; and

(b) within the coverage territory.

(2) The coverage territory is:

(a) the United States of America; and

(b) Puerto Rico.

g. Condition Applying Only to Business Interruption, Extra Expense and Spoilage Insurance

Reducing Your Loss

You must reduce your loss, if possible, by:

- (1) resuming business, partially or completely;
- (2) using merchandise or other property available to you; or
- (3) using the property or services of others.

h. Suspension

Whenever any covered equipment is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that equipment. This can be done by delivering or mailing a written notice of suspension to:

- (1) your last known address; or
- (2) the address where the equipment is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement to the policy for that equipment.

If we suspend your insurance, you will get a pro rata refund of premium for that equipment. But the suspension will be effective even if we have not yet made or offered a refund.

F. DEFINITIONS

1. "Accident"

- a. If **Basic** is shown in the Declarations as the Coverage, "accident" means a sudden and accidental breakdown of the following equipment;

- (1) any boiler;
- (2) any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents;
- (3) any piping and its accessory equipment.

At the time the breakdown occurs, it must become apparent by physical damage that requires repair or replacement of the covered equipment or part thereof.

- b. If **Comprehensive** is shown in the Declarations as the Coverage, "accident" means a sudden and accidental breakdown of the following covered equipment:

- (1) any boiler;
- (2) any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents;
- (3) any piping and its accessory equipment;
- (4) any refrigeration or air conditioning system;
- (5) any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

At the time the breakdown occurs, it must become apparent by physical damage that requires repair or replacement of the covered equipment or part thereof.

If covered electrical equipment requires drying out as a result of flood, the drying out will be considered an "accident."

- c. None of the following is an "accident":

- (1) depletion, deterioration, corrosion or erosion, wear and tear;
- (2) the functioning of any safety or protective device;
- (3) the breakdown of any structure or foundation.

- d. None of the following are covered equipment:

- (1) any sewer piping, underground gas piping, or piping forming a part of a sprinkler system;
 - (2) water piping other than boiler feed water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (3) insulating or refractory material;
 - (4) media used with any electronic computer or electronic data processing equipment;
 - (5) vehicle, elevator, escalator, hoist or crane.
- c. If a strike, riot, civil commotion, act of sabotage or vandalism results in an "accident," this insurance applies.

However, the War and Military Action Exclusion and the conditions of this policy still apply.

2. "One Accident"

If an initial "accident" causes other "accidents" all will be considered "one accident." All "accidents" at any one "location" that manifest themselves at the same time and are the result of the same cause will be considered "one accident."

3. "Suit" means a civil proceeding to which this insurance applies and that may include an arbitration proceeding to which you must submit or submit with our consent.
4. "Location" means the premises at the address shown in the Declarations.

GUIDE TO POLICY CONSTRUCTION

A Great American Insurance Company Business policy consists of:

- A. A policy Jacket, containing company officers' signatures;
- B. A common Policy Declarations;
- C. Common Policy Conditions;
- D. One or more underlying lines of insurance Policy Declarations;
- E. One or more Coverage Parts (each line of insurance is a coverage part) for each line of insurance Declarations.

Each Coverage Part consists of:

- 1. A line of insurance Conditions form (if applicable);
- 2. One or more Cause of Loss forms (if applicable);
- 3. Applicable Endorsements.